

USF Consultants

Universal Service Fund - Rural Health Care Specialists

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Federal Communications Commission
Office of the Secretary

Fax Cover Sheet

DATE: 28 Sept 07

CC: 02-60

TO: FCC - Wavelin

202-418-2925

FROM: Mike O'Connor USF Consultants

Voice (608) 268 2565

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Number of Attached Pages: 4

RE: USAC-RHCD
Appeal

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Transmitted Via Fax 202 418 2825

Federal Communication Commission
Office of the Secretary
445 12th Street, SW
Room TW-A325
Washington, DC 20554

Sept 28, 2007

Re: Universal Service Fund Appeal --Request for Recalculation of Support
Marshfield Clinic HCP#11933 FRN 20092 Funding Year 2004

Dear Commission Members,

On behalf of Marshfield Clinic, I am appealing the initial decision of USAC in regards to their determination the installation cost of a 2 Gigabit facility into a hospital constitutes infrastructure development.

In concert, with a fully operational paperless electronics medical records system; Marshfield Clinic required a high speed connection of 2 Gigabits. The Clinics Main Site in Marshfield, Wisconsin was linked to St. Clare Hospital in Weston, Wisconsin just south of Wausau. The cost for the entire 35 mile connection was \$7,500 per month with an installation charge of \$32,500.

The Urban Rate for a similar facility in Milwaukee under the SBC/AT&T tariff would be \$8000 per month with and installation charge of \$6,000. The \$8,000 per month urban rate reflects the cost of a 0 Mile Service under the same contract terms comprised of 2 Local Distribution Channels.

With a Rural cost of \$7,500 per month verses the Urban Rate of \$8,000 no monthly support was requested. However, support was requested for the difference in the installation between the \$32,500 and \$6,000.

The difference of \$26,500 was denied based on general principle of Infrastructure Development.

USF Consultants: Dedicated, knowledgeable, Experienced

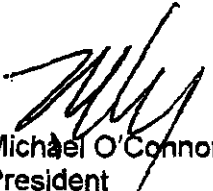
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Sept 28, 2007

Re: Universal Service Fund Appeal -Request for Recalculation of Support
Marshfield Clinic HCP#11933 FRN 20092 Funding Year 2004

The installation, in this case, does not represent infrastructure development. A 2Gig fiber service was required into the hospital from the carriers wire center/head end. Charter Communications determined the installation costs and monthly costs based on the true nature of the facility.

I am requesting full funding support of the difference between the rural and urban installation charges, \$26,500, be granted.



Michael O'Connor
President



Universal Service Administrative Company

Rural Health Care Division

Administrator's Decision on Rural Health Care Program Appeal

VIA ELECTRONIC AND CERTIFIED MAIL

August 1, 2007

Mr. Michael O'Connor
President, USF Consultants
PO Box 6641
Monona, WI 53716-0641

Re: Request for Recalculation of Support – Marshfield Clinic, HCP #11933
– FRN 20092 Funding Year 2004

Dear Mr. O'Connor:

The Universal Service Administrative Company (USAC) has completed its evaluation of the June 15, 2006, Letter of Appeal submitted on behalf of Marshfield Clinic (Marshfield), HCP #11933. Your appeal requests USAC increase support from the level previously determined by the Rural Health Care Division (RHCD) of USAC. Upon review, USAC concludes a higher level of support is not appropriate.

Decision on Appeal and Explanation: Denied

RHCD appropriately deducted the requested urban/rural difference support for an amount that represented infrastructure development of \$32,500.00. RHCD requested an itemization of this installation cost, which Marshfield did not provide. Additionally, the service provider also failed to provide an itemization of this installation cost in response to numerous requests.

In the *Universal Service Order*, the Federal Communications Commission (FCC or Commission) raised the question of whether universal service support for rural health care providers should be used to support costs associated with infrastructure development.¹ The Commission stated that it had insufficient information to make that determination based on the record developed at the time, and further stated that it would issue a Public Notice seeking comment on the issue. The Commission specifically recognized the challenges and obstacles to implementing telemedicine programs in Alaska. However, the Commission stated that it "decline[d] at this time to adopt support mechanisms for infrastructure development in Alaska, but encourage[d] parties interested

¹ See Federal-State Joint Board on Universal Service, CC Docket No. 96-45, *Report and Order*, FCC 97-157 (rel. May 8, 1997) ("Universal Service Order").

Mr. Michael O'Connor
August 1, 2007
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in obtaining such support for Alaska to present comments in response to our Public Notice on this issue.”²

Because the Commission specifically declined to determine whether infrastructure development is eligible for support under the Rural Health Care Support Mechanism, the Commission has not established that the rural health care support mechanism may fund infrastructure development. Therefore, RHCD's decision to withhold support for these charges was appropriate and Marshfield's appeal should be denied.

Marshfield also requested monthly recurring support for two one-gigabit connections. Charter Fiberlink, LLC has provided an urban rate for an 84-month contract one-gigabit point-to-point connection at \$4,000.00 per month. The rural rate, per circuit, is \$3,750.00 per month. Because the rural rate is less than the urban rate, no support can be provided under program rules.

If you wish to further appeal this decision, you may file an appeal with the FCC. Detailed instructions for filing appeals are available at:

<http://www.usac.org/rhc/about/filing-appeals.aspx>

Sincerely,

/s/ USAC

Universal Service Administrative Company

² *Id.* at ¶ 701.